R.J.Reynolds Tobacco Company

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PENN TRAFFIC COMPANY

R. J. REYNOLDS TOBACCO COMPANY

CONTRACT EXTENSION SUMMARY

December 19, 1994

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B. A. Cook
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Source: https://www.industrydocuments.ucsf.edu/docs/tlpm0000

- Based on the variety of cigarette merchandising methods across each of the PTC operating divisions, a standard per store bonus cannot be calculated.

- A by-division bonus was calculated based on opportunities that exist and self-service carton and pack merchandising that currently remain from original bonus paid in August 1992.

- Extra consideration was given to Big Bear and Riverside due to the fact that division remained primarily self-service and RJR fixtures.

- Private Label monies are based on an exact percentage of shipments for 11/92 through 11/94.

- As in 1992, Private Label and merchandising monies will be paid to each division.

BONUS QUALIFICATIONS:

P & C Food Markets	Must place self-service package fixtures and promotional displays at checkouts.
Quality Markets	Must place self-service package fixtures and promotional displays at checkouts.
Riverside Corporate, BiLo Markets (Corporate), Riverside (Franchise), Bi Lo (Franchise), Bi Lo / Acme	Maintain current contracts. Current contracts extended until August, 1997.
Big Bear/Harts	Maintain current contracts and merchandising until August 12, 1997.
Insalaco	Maintain RJR fixtures in 25 Acme stores. Add RJR fixtures to 15 stores currently with Philip Morris merchandisers. Discontinue American's Private Label (Private Stock) in 15 stores.

SPECIAL NOTE: A bonus was paid early 1994 to maintain Extra Value; however, all stores did not display or merchandise, then product was discontinued.

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ACCOUNT	# of STORES	CORP. STORES	FRANCHISE STORES	# with S/S Ctn	# with NSS Ctn	# with S/S Pkg	# with NSS Pkg	Projected Annual Pymt.	Bonus Payment	EXTRA VALUE
P & C Food Mkt	62	62	0	6	55	15	47	$112,186.00	$30,000.00	$14,240.00
Quality Markets	45	45	0	17	15	23	22	$84,909.00	$15,000.00	Included in P&C
Riverside Corporate		12		12		12	0	$39,977.00		$43,040.00
BiLo Markets (Corporate)		25		20	5	24	1	$75,141.00		
Riverside Franchise			41	18	1	17	24	$51,217.00		
BiLo Franchise			19	5	0	4	15	$16,973.00		
BiLo / Acme		14		14		14		$42,000.00		
Totals	111	51	60	69	6	71	40	$224,406.00	$100,000.00	
Big Bear/ Harts	95	95	0	96	7	85	10	$225,539.00	$95,000.00	$22,720.00
Insalaco	40	40	0	40	0	40	0	$148,800.00	$20,000.00	$10,000.00
TOTALS	353	293	60	196	83	234	119	$795,842.00	$260,000.00	$90,000.00

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